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EDMONTON 2007
CULTURAL CAPITALE CAPITAL CULTURELLE OF CANADA DU CANADA

Committee says facility feasible, has to be downtown

Identifies potential to revitalize an entire urban district

Edmonton, March 25, 2008 – A new sports and entertainment facility that would be the catalyst for, and centerpiece of, a revitalized downtown is both feasible and desirable, concludes the Leadership Committee evaluating whether to build a new arena in Edmonton.

"There's never been a better time to have this discussion," said committee chair Lyle Best. "There's a clear challenge to Edmonton at this unique time, to be leaders and builders — to be visionary. A new sports and entertainment facility can and should be the heart of a revitalized, urban district downtown."

The committee reached its conclusions after studying other cities, examining financial models and considering community and design scenarios over the past several months.

"A new facility presents an opportunity to take Edmonton to a new level as a world-class city, and it could not be more timely, exciting and worthy of pursuit," said Bard Golightly, spokesperson for the Community and Design Subcommittee. "But any new facility should be an integral part of an ongoing mixed-use development. It should be creative, inspiring, sustainable and accessible," he added.

The committee also concluded a prospective $450 million new facility is financially feasible, and is best approached through a mix of public and private participation," said Charlotte Robb, spokesperson for the Finance Subcommittee. "We are confident this can be achieved with no tax increases and no re-allocation of funding for the city's infrastructure. While there is room for government to contribute, similar to what has happened with the Art Gallery of Alberta or the Winspear Centre, contributions can take many forms."

The committee's work identified several potential sites in the downtown that could accommodate any new facility. Specific sites were not named for commercial and competitive reasons.

The committee further recommends:

- That the design and programming of the facility include ways in which it can revitalize and develop the surrounding urban district and spur redevelopment of Edmonton's downtown core.

- That the sports/entertainment facility be a unique design that is environmentally sustainable, using LEED (Leadership in Energy and Environmental Design) criteria.
- The use of a community revitalization levy as part of the financing arrangements and one of the ways to spur development in a downtown area.

Mayor Stephen Mandel formed the committee in April 2007, after Northlands had commissioned HOK Sport to evaluate the cost of renovating Rexall Place. The committee commissioned further studies from HOK Sport; Conventions, Sports and Leisure International; and Cleveland State University Professor Mark Rosentraub, and visited arenas and downtowns in Columbus and Kansas City in arriving at its recommendations.

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About Edmonton:

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THE CITY OF Edmonton

Backgrounder

QUESTIONS & ANSWERS

What are the committee's conclusions?

- A new sports and entertainment facility can be the catalyst and centrepiece of a revitalized downtown Edmonton.
- Based on the committee's analysis and assumptions, such a facility is financially feasible.
- The timing is right for Edmonton. Rexall Place needs replacement or modernization in order to build on its proven record as a top-tier destination for entertainment and sporting events. The expected economic growth and population influx to the city provides an opportunity to revitalize downtown.

How did the committee come to its conclusions? What research did it conduct?

- They consulted with sports, business and community organizations in Edmonton and throughout North America.
- They commissioned internationally recognized experts to conduct research, the results of which have been incorporated into the report.

How will a new arena be better for Edmonton than refurbishing Rexall Place?

- Refurbishing doesn't get the city further ahead. A new facility offers more financial flexibility. There is more ability for a new facility to attract private dollars than the existing Rexall Place.
- Ultimately there is so much more potential for the city and region as a whole to consider the benefits of making an arena just one part of a revitalized sports and entertainment district that is well-integrated with the downtown as a whole.

How realistic is the $450 million estimate to build a new arena, given Edmonton's construction boom?

- The committee believes it is very realistic. Note that any inflationary impacts will equally affect renovations of the current Rexall site.

How should the new arena be financed?

- The committee researched facilities that were financed entirely privately and publicly as well as those that received mixed financing. Given the scale of investment required and the potential impact a new arena would have on the community, the most appropriate funding structure involved both private and public participation.
- There are many options, many tools — lots of flexibility. The next step is to have the stakeholders examine all the options and come up with a specific proposal.

How much did it cost to put together the report?

- The City, Northlands and the Oilers each paid less than $100,000.
- The majority of the cost went to the commissioned studies by HOK Sport, and Conventions, Sports and Leisure International.

The committee commissioned consultants to study the arena's feasibility. Why have their two reports not been made public?

- The consultant reports contain competitive private business information; the confidentiality of that information needs to be respected. In addition, the committee did not wish to cause speculative issues with respect to downtown lands.
- However, the knowledge and learning provided by the reports has been incorporated into the committee's recommendations. The studies will be available to stakeholders who carry the next steps forward.

How was the cost of the new arena arrived at? How does this compare with the cost to refurbish Rexall Place?

- The committee looked at all the arenas that have been built and projected using 2014 dollars, as well as the full scope of what the peripheral development could be.
- It's a question of a renovation that may not be sufficient versus seizing on a once-in-a-lifetime opportunity.

If this new arena goes ahead, what will happen to Rexall Place?

- That has to be determined by the City and Northlands. It may be that this discussion presents better and wider opportunities for redevelopment in that area.

How might a new arena affect Northlands?

- Northlands is about more than just a site and the committee believes Northlands could continue to be an important part of a downtown facility. Certainly the next step will be for the Oilers and Northlands to work out how this moves forward, and to ultimately structure a specific proposal.

How has Daryl Katz, the new Oilers owner, been involved?

- The committee has relied on Mr. Katz's public commitments, but has not spoken directly to Mr. Katz. Any business dealings between Mr. Katz and the Oilers remain between those two parties, and it should be noted that his purchase of the team is not yet final.
- The next steps for this report will involve both the Oilers and Northlands.

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